
OLR Bill Analysis

sHB 5564 (as amended by House "A")*

AN ACT ENCOURAGING INCREASED SAVINGS DEPOSITS.

SUMMARY:

This bill allows Connecticut credit unions and community banks to offer savings promotion raffles under specified conditions. The bill defines a "savings promotion raffle" as a raffle in which a person deposits a minimum specified amount of money in a savings account or savings program for a chance to win designated prizes. Each entry in the raffle must have an equal chance of winning.

The bill requires Connecticut credit unions or community banks offering such raffles to disclose the terms and conditions of the raffle to each share account holder or account holder, who must be at least age 18. The institutions must maintain records sufficient to facilitate an audit of any such raffle.

The bill limits participation to Connecticut credit unions and community banks that have secure financial integrity, as determined by the banking commissioner. It authorizes the commissioner to adopt implementing regulations.

*House Amendment "A" limits participation in a savings promotion raffle to those share account holders and account holders who are at least age 18.

EFFECTIVE DATE: October 1, 2013

BACKGROUND

Community Banks

A community bank is a Connecticut bank with a minimum equity capital of at least \$3 million. Community banks generally focus on the needs of the businesses and families in the area where the bank has branches and offices. A community bank has certain restrictions and

limitations with regard to exercising fiduciary power, making certain investments, and the aggregate amounts and types of loans that it can make.

COMMITTEE ACTION

Banks Committee

Joint Favorable

Yea 17 Nay 0 (03/14/2013)